

**CLARK COUNTY**  
**FINANCE COMMITTEE**

**FOURTH QUARTER, 2002**



APRIL 1, 2003

**CLARK COUNTY**  
**FINANCE COMMITTEE**  
**INDEX**

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## **SECTION I – NOVEMBER 12, 2002 MINUTES**

### **REGULAR MEETING MINUTES**

Clark County Finance Committee Meeting  
November 12, 2002  
Clark County Treasurer's Office Conference Room  
3 p.m.

Member in Attendance: Doug Lasher, Chair  
Greg Kimsey, Secretary  
Judie Stanton, Commissioner

Others in Attendance: Bill Barron, County Administrator; Cathy Huber Nickerson, Patrick Bourcier, Clark County Treasurer's Office

Recording: Kathleen Smithline, Treasurer's Office

The meeting was called to order by Doug Lasher, Chair, at 3:09 p.m. with a quorum present.

#### **APPROVAL OF MINUTES**

**MOTION** was made by Greg Kimsey, seconded by Judie Stanton, and unanimously carried to approve the Minutes of August 19, 2002.

#### **APPROVAL OF COUNTY FINANCE REPORT**

Cathy Huber Nickerson presented an overview of the third-quarter, 2002, County Finance Report, which included investment strategies, economic and market conditions, and a review of the portfolio as of September 30, 2002. The GDP came in at 3.1%; September retail activity was the worst in ten months due to fears of job security and talk of war; however, it is anticipated that the stock market may rally by the holidays. The Consumer Confidence Index for September was 93.3. County Pool balances averaged \$499 million during 2002 compared to \$399 million during 2001. County funds comprise 30% of the County Pool; Vancouver School District 22%; Evergreen School District 19%; the Port of Vancouver 6%; and Camas School District 5%. The annualized quarterly total return for the County Pool came in at 3.90% compared to the custom Treasury total return index of 3.01%. The County Pool rate, on a book value return basis and on a net basis, yielded 2.82% compared to the custom Treasury Index with a book value return of 1.67%. Fair market value adjustments are made four times per year with the next one occurring at the end of December. The current investment strategy is to focus on Federal Agencies with two – three-year final maturities for new purchases; utilize State LGIP for short-term investing until the interest rate outlook changes; target an average maturity of eight months; and increase allocation to callables. **MOTION** was made by Greg Kimsey, seconded by Judie Stanton, and unanimously carried to approve the County finance Report for third-quarter, 2002.

#### **PFM REPORT**

Cathy Huber Nickerson reported that we have been receiving reports every Friday from PFM. During the third quarter, a number of negative economic reports showed that consumer confidence in the economy is eroding and that manufacturing activity is faltering with renewed fears that the economy may go back into recession. Interest rates fell to their lowest level in 50 years due to the uncertainty in the Middle East and plunging stock prices. PFM has recommended that, due to the historically low level of interest rates, the County stay at a short average maturity of eight months. As of September 30, 100% of portfolio assets were categorized in one of PFM's top three liquidity rating categories. The overall weighted liquidity factor was

2.13, which is well within PFM's recommended range of two to four. The total portfolio's exposure to call risk was 11.0%, which is in line with PFM's maximum recommended limit of 20% to 25%.

#### **COUNTY DEBT STATUS**

There was no County Debt Status Report for the third quarter of 2002. The County had a large increase in the number of refinances taking place. The line of credit is close to the limit but the County will be receiving tax monies at the end of October.

#### **OTHER**

Interest allocation has not been completed yet for October due to the new Oracle system but will be done this week.

**MOTION** to adjourn was made by Greg Kimsey, seconded by Judie Stanton, and unanimously approved to adjourn the meeting.

Submitted by: \_\_\_\_\_  
Greg Kimsey, Secretary

Prepared by: \_\_\_\_\_  
Kathleen Smithline  
Administrative Assistant

## **SECTION II - EXECUTIVE SUMMARY**

This report reflects the outcomes achieved in our investment activities based on the implementation of the May 12, 2000 Investment Policy and Standards. The report provides a retroactive review of the activities occurring during the fourth quarter, 2002.

During the fourth quarter of 2002, the average maturity of the portfolio remained steady at approximately 8.8 months. The asset sector distribution of the portfolio changed during the fourth quarter, with approximately 39% of the portfolio invested in Federal Agencies, 41% invested in money markets and 20% invested in U.S. Treasuries. This compares with the third quarter of 2002's asset allocation with 32% of the portfolio invested in Federal Agencies, 49% invested in money markets and 19% invested in U.S. Treasuries. At the end of December 2002, the total portfolio was approximately \$479 million.

Residual balances averaged \$54 million during 2002 compared to a \$58 million monthly average during 2001. Interest earnings distributed to the County's General Fund during 2002 were \$1.7 million compared to \$3.0 million for 2001, a decrease of approximately \$1,259,000. This resulted from lower interest rates in 2002 compared to 2001. The average interest rate of the Clark County Investment Pool for the year 2001 was 5.16 compared to 3.19 in 2002. Interest earnings for 2002 exceeded our revised projections by approximately \$26,000.

County Pool balances averaged \$501 million during 2002, compared to \$422 million during 2001. Interest earnings distributed to the County Pool participants for 2002 were \$16.2 million compared to \$21.6 million during 2001. The lower interest earnings are due to lower interest rates in 2002 compared to 2001. County funds make up 26% of the County Pool. Other major Pool participants include the Vancouver School District at 23%, the Evergreen School District at 20%, the Port of Vancouver at 6% and Camas School District and ESD 112 at 4%.

The annualized quarterly total return for the County Pool came in at 2.97%, compared to the custom Treasury total return index of 2.22%. On a book value return basis, the County Pool rate, on a net basis, yielded 2.51%, compared to the custom Treasury Index with a book value return of 1.36%. The net asset value of the County Pool ended the quarter at 1.00031. An unrealized gain of approximately \$149 thousand was distributed to the Clark County Pool participants for the fair market value adjustment at the end of December. In accordance with our investment policy, fair market value adjustments are made four times per year. The next one will occur at the end of March.

Our current strategy is to invest in the 0-2 year maturity sector to maintain an average maturity of the portfolio of eight months in accordance with PFM's recommendations. In addition, should yields on short-term money market securities increase above the Washington State Investment Pool's (State Pool) yield, we will ladder securities out to one year. We recognize that when short-term interest rates are declining, the State Pool lags current money market interest rates, which will continue to make it advantageous to invest short-term money with the State Pool. We will continue to look for swap opportunities, and should these opportunities present themselves we will execute such transactions.

### **SECTION III - 2002 YEAR-TO-DATE**

#### INVESTMENT ACTIVITY:

During 2002, County residual principal balances averaged \$3.8 million less than during 2001 on an average monthly basis. Actual 2002 County residual balances were under projections by approximately \$518,000. This is due in part to General Fund cash balances declining because of lower property tax revenues.

| Date      | 2001 Residual Balance | 2002 Residual Balance | 2002 Projected Residual Balance |
|-----------|-----------------------|-----------------------|---------------------------------|
| January   | 39,714,479            | 30,856,789            | 38,000,000                      |
| February  | 36,830,593            | 31,155,726            | 35,000,000                      |
| March     | 35,949,803            | 37,646,261            | 36,000,000                      |
| April     | 57,998,506            | 51,177,914            | 48,000,000                      |
| May       | 121,305,702           | 117,685,700           | 110,000,000                     |
| June      | 66,540,866            | 67,873,104            | 65,000,000                      |
| July      | 45,552,145            | 47,913,148            | 42,000,000                      |
| August    | 39,757,607            | 41,337,910            | 41,000,000                      |
| September | 41,630,122            | 35,673,119            | 38,000,000                      |
| October   | 53,819,486            | 44,645,321            | 50,000,000                      |
| November  | 103,618,486           | 99,112,415            | 99,000,000                      |
| December  | 54,397,673            | 46,708,273            | 56,000,000                      |
|           |                       |                       |                                 |
| Average   | 58,092,956            | 54,315,373            | 54,833,333                      |

The revised projected 2002 County interest earnings through in 2002 was \$1,706,577. Actual interest earnings distributed to the General Fund in 2002 totaled \$1,680,981, as depicted below, which is approximately \$26,000 less than the revised projections.

The budget for County interest earnings for the 2001/2002 biennium was originally \$6,863,830. In April 2000, when the original budget was created, the economic outlook was much different than what it is currently. In March of 2001, the nation entered a recession. The Fed took aggressive action in 2001 by lowering interest rates 11 times, which brought the Fed funds short-term interest rate to a 40-year low of 1.75%. The biennium budget was adjusted in May 2002 to reflect a \$2.2 million reduction in interest earnings.

| Date      | 2001 Interest Earnings | 2002 Interest Earnings | 2002 Projected Interest Earnings |
|-----------|------------------------|------------------------|----------------------------------|
| January   | 207,327                | 107,662                | 122,708                          |
| February  | 184,229                | 97,169                 | 95,278                           |
| March     | 179,631                | 115,274                | 100,750                          |
| April     | 276,363                | 151,923                | 120,000                          |
| May       | 534,965                | 317,493                | 260,486                          |
| June      | 282,538                | 196,114                | 151,667                          |
| July      | 197,190                | 104,621                | 104,883                          |
| August    | 165,088                | 100,738                | 105,917                          |
| September | 167,532                | 83,832                 | 95,000                           |
| October   | 211,170                | 103,911                | 129,167                          |
| November  | 364,726                | 201,487                | 264,000                          |
| December  | 195,242                | 100,756                | 156,721                          |
|           |                        |                        |                                  |
| Total     | 2,966,000              | 1,680,981              | 1,706,577                        |

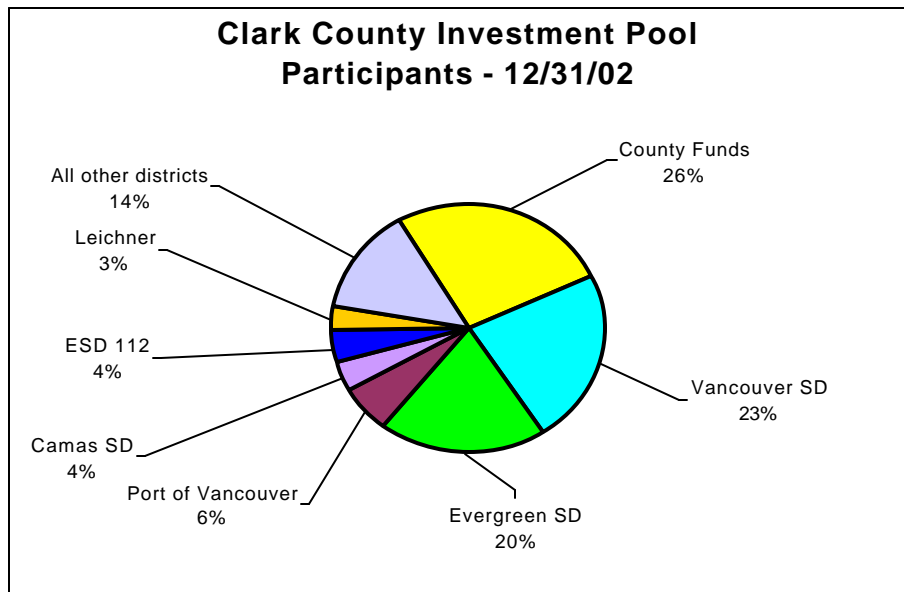
As shown below, County Pool principal balances averaged \$501 million for 2002, compared to \$422 million during 2001, approximately 16% higher. This is due to various districts issuing bonds to take advantage of the low interest rates.

| Date      | 2001 Pool Average Balance | 2002 Pool Average Balance |
|-----------|---------------------------|---------------------------|
| January   | 356,545,966               | 486,563,440               |
| February  | 349,605,348               | 476,757,242               |
| March     | 338,990,190               | 473,722,986               |
| April     | 359,569,641               | 481,162,641               |
| May       | 477,334,427               | 564,699,682               |
| June      | 438,945,286               | 509,155,187               |
| July      | 402,320,153               | 484,723,340               |
| August    | 432,165,159               | 517,817,042               |
| September | 439,902,487               | 500,556,289               |
| October   | 454,734,403               | 496,957,893               |
| November  | 534,391,249               | 562,607,112               |
| December  | 479,213,023               | 463,163,003               |
|           |                           |                           |
| Average   | 421,976,444               | 501,490,488               |

The table below reflects County Pool earnings were \$16.2 million in 2002, compared to \$21.6 million during 2001, resulting in decreased earnings of approximately 25 percent. This is due to the lower interest rate environment in 2002 compared to 2001 during the year. The average Clark County Pool interest rate for 2001 was 5.2 percent compared to 3.2 percent in 2002.

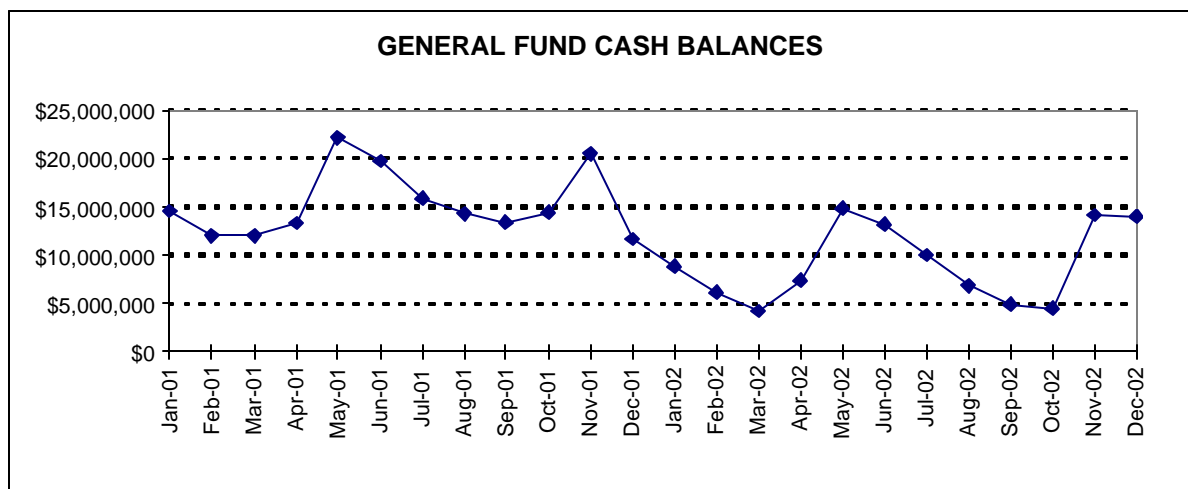
| Date      | 2001 Pool Interest Earnings | 2002 Pool Interest Earnings |
|-----------|-----------------------------|-----------------------------|
| January   | 1,859,734                   | 1,685,793                   |
| February  | 1,743,303                   | 1,482,990                   |
| March     | 1,689,390                   | 1,449,122                   |
| April     | 1,711,739                   | 1,424,935                   |
| May       | 2,099,382                   | 1,520,815                   |
| June      | 1,863,252                   | 1,471,224                   |
| July      | 1,740,612                   | 1,321,508                   |
| August    | 1,788,526                   | 1,263,001                   |
| September | 1,769,776                   | 1,175,444                   |
| October   | 1,785,232                   | 1,157,349                   |
| November  | 1,876,160                   | 1,161,753                   |
| December  | 1,718,373                   | 1,068,015                   |
|           |                             |                             |
| Total     | 21,645,479                  | 16,181,949                  |

**Figure One** shows the major participants in the Clark County Investment Pool for the fourth quarter of 2002. As of December 31, 2002, County funds made up 36% of the Pool, Vancouver School District – 23%, Evergreen School District – 20%, Port of Vancouver – 6%, and the Camas School District and ESD 112 – 4%.



**Figure 1**

**Figure Two** shows month-end General Fund cash balances beginning with January 2001 through December 2002. As of the end of December 2002, cash balances in the General Fund decreased below 2001 levels by an average of approximately \$6.2 million on a monthly basis. This is due primarily to the effects of the recent tax initiatives. The cash balances of the general fund will continue to decline due to lower property tax revenues.



**Figure 2**



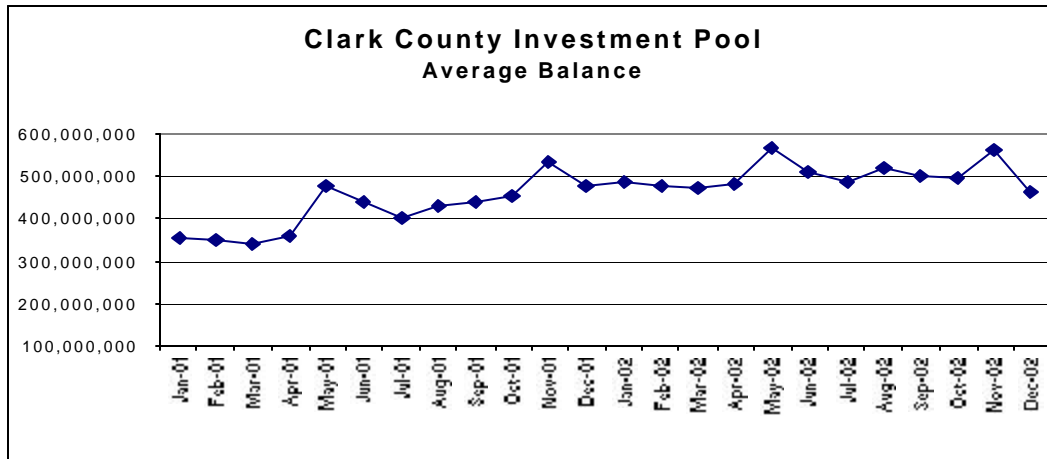
During 2002 the following costs were associated with maintaining the Clark County Investment Pool:

|  |                  |
|--|------------------|
| Bloomberg Financial System                               | \$19,479         |
| Sympro Investment Accounting System                      | 5,654            |
| Investment Advisor – PFM                                 | 30,000           |
| Training   | 4,943            |
| Supplies and subscriptions                               | 2,090            |
| Phone (Bloomberg and computer<br>lines included)         | 3,182            |
| Safekeeping/Trust fees                                   | 6,000            |
| ER & R (on two staff's computers)                        | 5,672            |
| Personnel costs (percent of seven<br>employees)          | <u>100,969</u>   |
| Total 2002 expenses                                      | \$177,989        |
| Total amount collected in 2002<br>from Pool participants | <u>\$146,172</u> |
| Amount under collected in 2002                           | \$31,817         |
| Amount over collected in 2001                            | <u>\$33,435</u>  |
| Total amount overcollected for 2001/2002 biennium        | \$1,618          |

For the first half of 2003, the fee will be .00035.

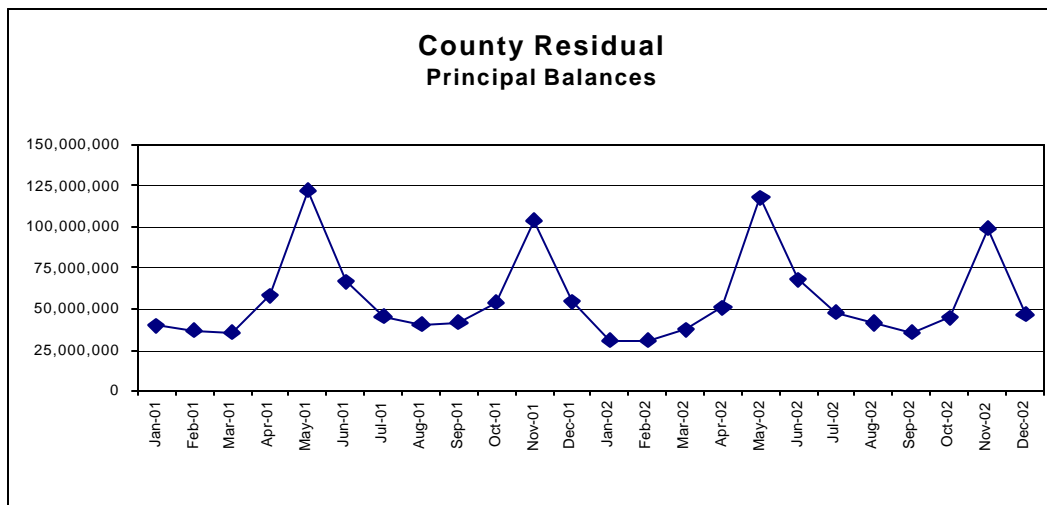
## **SECTION IV - QUARTERLY ACTIVITY**

**Figure Three** reflects the average principal balances being maintained within the Pool in 2002. For the fourth quarter of 2002, the average principal balance increased above 2001 levels by \$18 million. This is due in part to districts having large bond issues still in the pool.



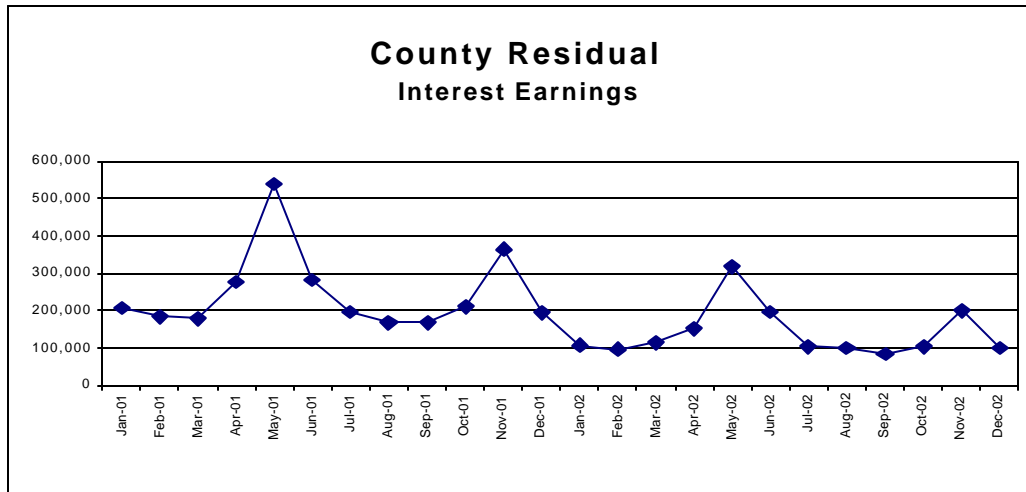
**Figure 3**

**Figure Four** reflects the actual monthly residual principal balances managed by the County for 2001 and 2002. Residual balances for the fourth quarter decreased below 2001 levels by an average of \$7.1 million per month due to lower property tax revenues.



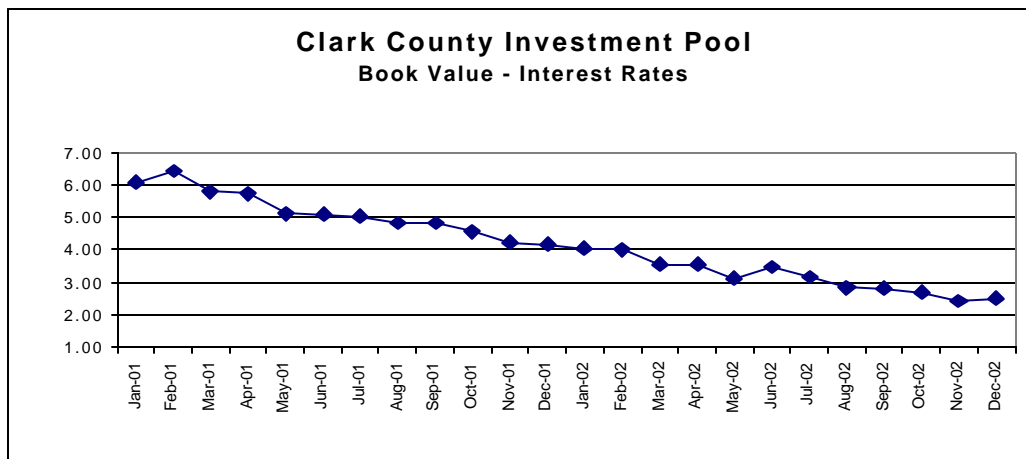
**Figure 4**

**Figure Five** shows interest earnings distributed each month to the County's General fund during 2001 and 2002. During the fourth quarter of 2002, interest earnings averaged \$121,000 less per month than during the same period in 2001. This is due to lower residual balances and lower interest rates during the fourth quarter. On an average monthly basis, \$250,000 was allocated to the General fund during fourth quarter of 2001. For fourth quarter of 2002, an average of \$135,000 was distributed to the General fund per month.



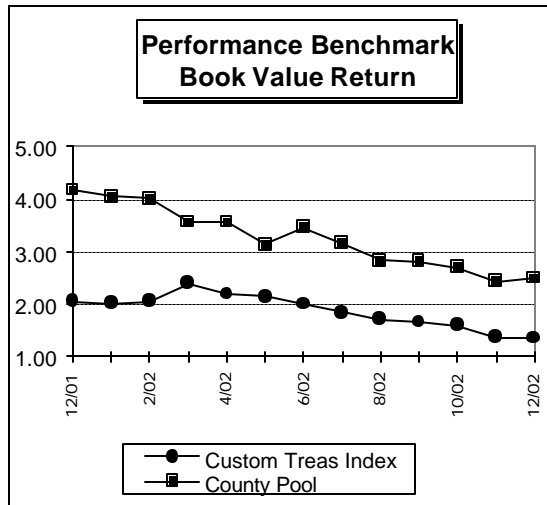
**Figure 5**

**Figure Six** shows the County Pool interest rates for 2001 and 2002. The County Pool's book value, gross interest rate at the end of December 2002 was 2.51%, compared to 4.17% on December 31, 2001.

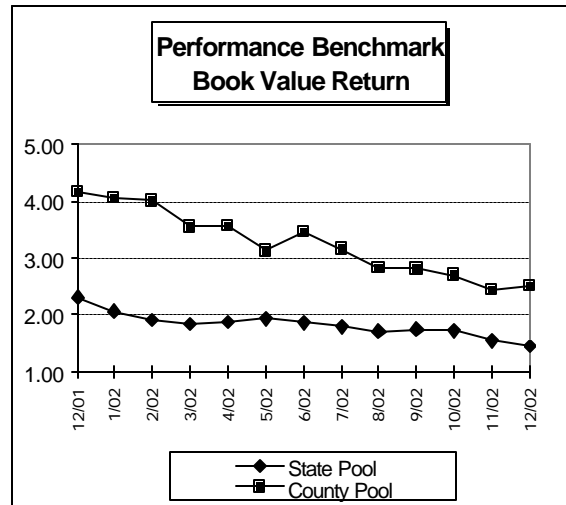


**Figure 6**

**Figures 7 (a) and (b)** compare performance on a book value return basis. The County Pool's interest rate is expressed as the net interest rate (the gross rate less the investment fee). The book value return of a portfolio measures the yield based on the yield of the securities at the time the securities are purchased. These performance benchmarks consist of a composite Treasury Index with an average maturity of nine months and the Washington State Local Government Investment Pool (LGIP) with an average maturity of approximately two months. The Clark County Investment Pool has an average maturity of approximately eight months. The Treasury Index and the LGIP closely track current interest rates. At the end of the fourth quarter, the Clark County Pool's net rate, on a book value return basis was 2.51%, the Treasury Index was 1.36%, and the State Pool's net rate was 1.45%.

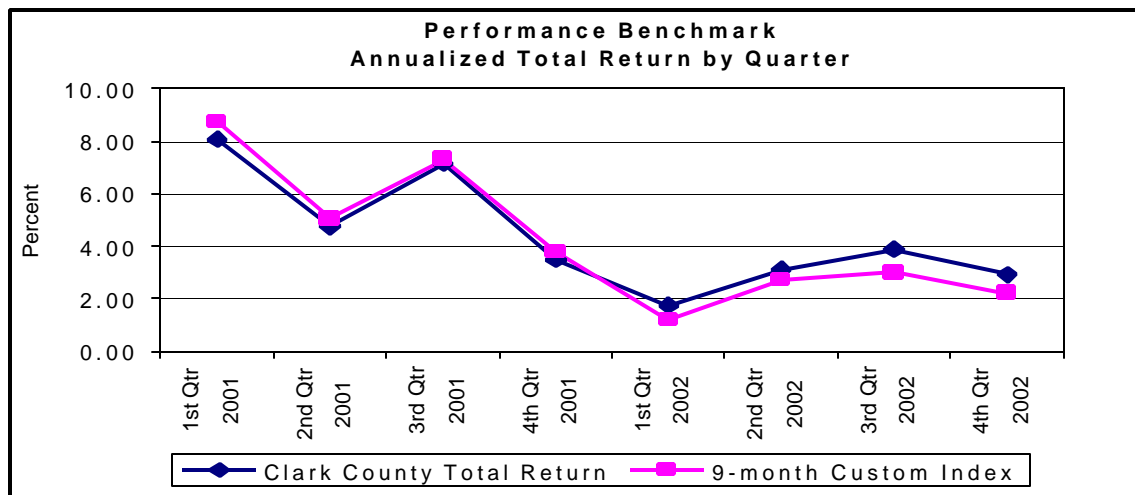


**Figure 7(a)**



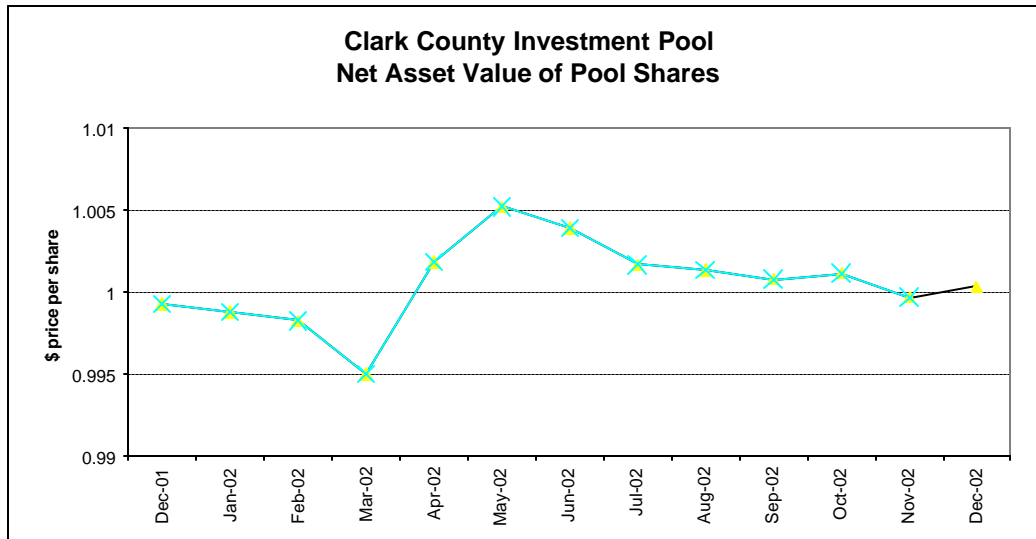
**Figure 7(b)**

**Figure Eight** compares performance on a total return basis. Total return measures the market value increase or decrease in the value of the portfolio over a given period of time and the interest earnings associated with the securities. The customized total return index consists of two Merrill Lynch U.S. Treasury Securities maturing from six months to one year. The annualized fourth quarter return for 2002 for the County Pool was 2.93% and the Treasury Index was 2.22%. Wide swings in return will reflect the extreme volatility in the investment markets.



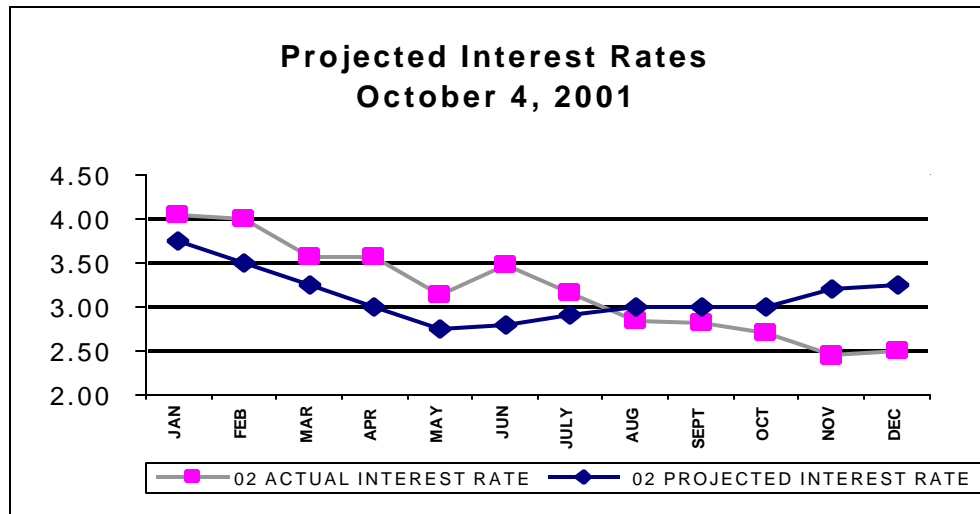
**Figure 8**

**Figure Nine** shows the market value of the Pool portfolio based on net asset value (NAV). As of December 2002, the NAV was 1.00031. GASB Statement 31 requires that External Investment Pools report all investments at fair market value, if the average maturity of the Pool exceeds 90 days. On December 31, 2002, the Treasurer's Office posted approximately \$149 thousand in unrealized gains to the County Pool. The next adjustment for fair market value will occur on March 31, 2003.



**Figure 9**

**Figure Ten** shows the projected County Pool interest rates for 2002 compared to the actual interest rates.



**Figure 10**

## **SECTION V - INVESTMENT STRATEGY**

The following table shows the percentage distribution of the Clark County Pool maturity periods. As the table indicates, during 2001 emphasis was placed on purchasing securities in the 0 - 1 year maturity sector. During the fourth quarter of 2002, investments were purchased in the 0 - 1 year sector to target an average maturity of 8 months.

| <b>Period</b>                 | <b>0 - 1 year</b> | <b>1 – 2 years</b> | <b>2 - 5 years</b> |
|-------------------------------|-------------------|--------------------|--------------------|
| 1 <sup>st</sup> quarter, 2001 | 65%               | 18%                | 17%                |
| 2 <sup>nd</sup> quarter, 2001 | 64%               | 20%                | 16%                |
| 3 <sup>rd</sup> quarter, 2001 | 74%               | 13%                | 12%                |
| 4 <sup>th</sup> quarter, 2001 | 71%               | 16%                | 13%                |
| 1 <sup>st</sup> quarter, 2002 | 60%               | 27%                | 12%                |
| 2 <sup>nd</sup> quarter, 2002 | 56%               | 42%                | 2%                 |
| 3 <sup>rd</sup> quarter, 2002 | 63%               | 32%                | 5%                 |
| 4 <sup>th</sup> quarter, 2002 | 66%               | 29%                | 5%                 |

During the first quarter of 2003, we plan to invest in the 0-2 year maturity range to target the portfolio's average maturity of eight months. We are going to continually monitor our investment strategy to be proactive as economic conditions fluctuate.

In addition, if yields on short-term money market securities increase above the State Pool's yield, we plan to ladder securities out to one year.

The Clark County Investment Pool is maintaining an average maturity of eight months. As of December 31, 2002 the Clark County Investment Portfolio has posted \$4.4 million in aggregate unrealized gains on a fair market value basis. Unrealized gains of approximately \$147,000 were posted December 31, 2002. The next time unrealized gains/losses will be posted is March 31, 2003. Annual unrealized gains/(losses) are the direct result of fluctuating interest rates. The following is a breakdown by year reflecting the total unrealized gains/(losses).

| <b>Year</b> | <b>Unrealized gain/(loss)</b> |
|-------------|-------------------------------|
| 1998        | 566,583                       |
| 1999        | (2,563,593)                   |
| 2000        | 4,038,403                     |
| 2001        | 2,072,065                     |
| 2002        | 295,807                       |
|             |                               |
| Cumulative  | 4,409,265                     |

The third quarter, 2002 report issued by Public Financial Management, Inc. (PFM) recommended the following sector distributions to maintain the Clark County Investment Pool at an 8-month average maturity.

| <b>Investment Sector</b>                    | <b>Recommended Average Maturity</b> | <b>Current Average Maturity</b> | <b>Recommended % of Portfolio</b> | <b>Current % of Portfolio</b> |
|---|-------------------------------------|---------------------------------|-----------------------------------|-------------------------------|
| US Treasury Notes                           | 9 months-1.75 years                 | 11 months                       | 10% - 25%                         | 20 %                          |
| Federal Agency Notes/Disc. Notes            | 6 months – 2 years                  | 1 year 5 months                 | 40% - 65%                         | 39%                           |
| Money Markets - State Pool, CP, CD's & BA's | 1 – 60 days                         | 1 day                           | 20% - 40%                         | 41%                           |
| Aggregate Avg. Maturity                     | 8 months                            | 8.7 months                      |                                   |                               |

During the fourth quarter of 2002, the percentage of US Treasury Notes increased by 1%; there was a 7% increase in Federal Agencies and a 8% decrease in the money market sector.

## **SECTION VI - ECONOMIC/MARKET CONDITIONS**

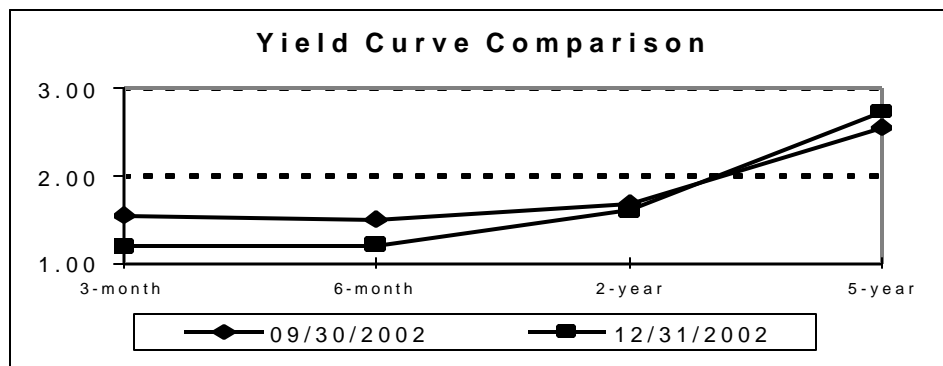
The economy grew at a 1.4% annual rate in the fourth quarter of 2002 compared to a 4% pace in the third quarter of 2002. Economists anticipate little if any growth in the first quarter of 2003 due to the stagnant job market and war uncertainties.

The Consumer Confidence Index (CCI) for December was 80.3 dropping from 96.9 at the end of the third quarter. The CCI continued to drop in January to 79.0. "A weak labor market, military action in Iraq, and a prolonged decline in the financial markets have clearly dampened both consumers confidence and their expectations for the near future," says Lynn Franco, Director of The Conference Board's Consumer Research Center.

The FOMC met on March 18th, maintaining the rate at 1.25 and citing "substantial uncertainties" due to the difficulty of disentangling" the effects surrounding the war. Between January 2001 and November 2002, the Fed cut interest rates 12 times in an effort to bolster the economy; The rate currently stands at 1.25 percent, a 41-year low.

On December 31, 2002 the 3-month T-bill yielded 1.190% compared to 1.547% on September 30, 2002. The yield curve begins to shift upward after the 6-month sector.

Future indicators: The war with Iraq and the crisis with North Korea continues to be one of the leading factors adversely affecting economic growth, however, the Fed has projected the economy growing at a rate between 3.25 and 3.5 percent this year, a substantial increase over the growth in 2002, which was 2.8 percent; Greenspan predicted the nations unemployment rate would stay basically level, in 2003, between 5.75 and 6 percent; the revised rate for January is 5.8%, down from 6% in December.





## **SECTION VII - PORTFOLIO**

**Exhibit One** shows the make up of the entire portfolio at the end of the fourth quarter of 2002. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of securities held and the percentage each sector makes up of the total portfolio. All percentages are consistent with the current policy.

**Exhibit Two** shows the complete portfolio listings as of the end of the year. This report shows the book value, the par value, and the market value of the portfolio as of December 31, 2002.

**Exhibit Three** shows the liquidity of the entire portfolio. All percentages are consistent with the current policy.

**Exhibit Four** reflects the percentage of securities purchased from each issuer relative to the entire portfolio. On December 31, the average maturity was eight months. All the percentages are consistent with the current policy.

**Exhibit Five** shows all investment purchases and maturities from October 1, 2002 through December 31, 2002.

**Exhibit Six** shows the make up of the Clark County Investment Pool at the end of the fourth quarter of 2002. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of securities held and related percentage of the total portfolio for each type of security. On December 31, 2002 the average term of the Pool was eight months. All percentages are consistent with the current policy.

**Exhibit Seven** shows the portfolio listings of the Clark County Investment Pool at the end of the year. This report contains the book value, the par value, and the market value as of December 31, 2002.

**Exhibit Eight** shows the liquidity of the Clark County Investment Pool. All percentages are consistent with the current policy.

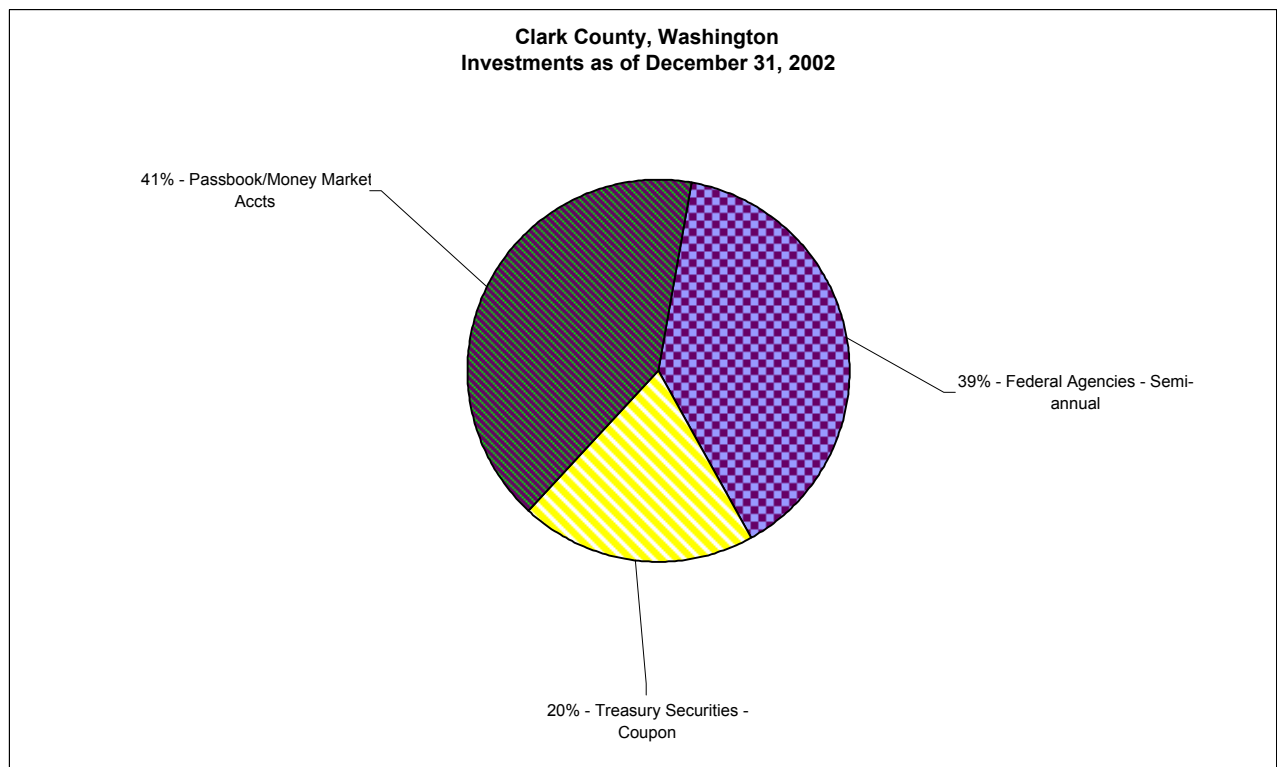
**Exhibit Nine** reflects the percentage of securities purchased from each issuer for the Clark County Investment Pool. All percentages are consistent with the current policy.

**Exhibit Ten** is a comparison of the Clark County Investment Pool to the Washington State Pool.

**Exhibit 1**

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIC  
DISTRIBUTION OF INVESTMENTS BY TYPE  
DECEMBER 31, 2002**

| Investments                    | Book Value            | Percent of Portfolio | Average Days to Maturity | Yield to Maturity |                |
|--------------------------------|-----------------------|----------------------|--------------------------|-------------------|----------------|
|                                |                       |                      |                          | 360 Equivalent    | 365 Equivalent |
| Federal Agencies - Semi-annual | 188,088,298.43        | 39.29%               | 504                      | 3.443             | 3.491          |
| Treasury Securities - Coupon   | 95,269,921.88         | 19.90%               | 316                      | 3.117             | 3.160          |
| Passbook/Money Market Accts    | 195,321,107.29        | 40.80%               | 1                        | 1.561             | 1.582          |
| Total                          | 478,679,327.60        | 100.00%              | 262                      | 2.610             | 2.647          |
| Accrued Interest at Purchase   | 17,500.00             |                      |                          |                   |                |
| Total Cash and Investments     | <u>478,696,827.60</u> |                      |                          |                   |                |



## Exhibit 2

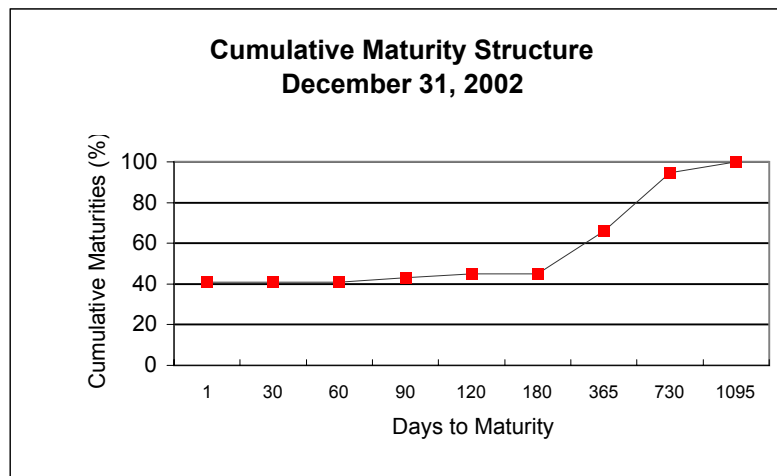
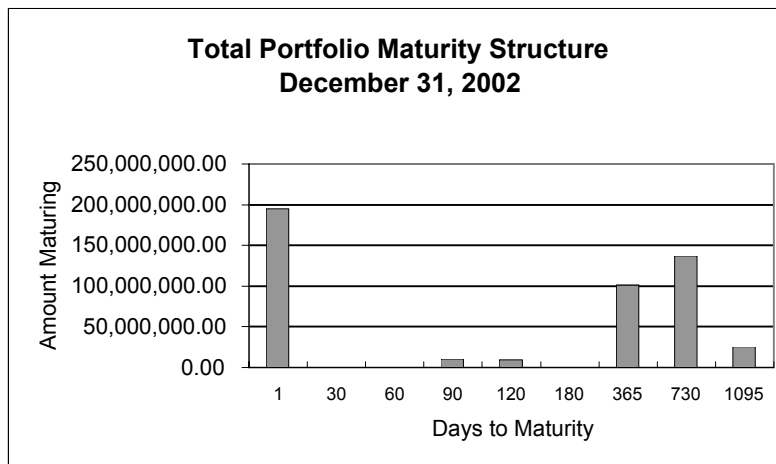
**Clark County, Washington**  
**Investment Portfolio**  
**December 31, 2002**

| Investment<br>Number                         |  | Purchase<br>Date | Cusip<br>Number | Book<br>Value         | Par<br>Value          | Market<br>Price<br>12/31/02 | Market<br>Value       | Cash<br>Gain/(Loss)<br>on Security | Coupon<br>Rate | Yield to Maturity<br>360 | Yield to Maturity<br>365 | Maturity<br>Date | Days to<br>Maturity |
|--|--|------------------|-----------------|-----------------------|-----------------------|-----------------------------|-----------------------|------------------------------------|----------------|--------------------------|--------------------------|------------------|---------------------|
| <b>Federal Agencies - Semi Annual Coupon</b> |  |                  |                 |                       |                       |                             |                       |                                    |                |                          |                          |                  |                     |
| 89982900                                     | Federal Farm Credit Bank                 | 01/25/01         | 31331H6G7       | 4,989,900.00          | 5,000,000.00          | 104.125                     | 5,206,250.00          | 216,350.00                         | 5.400          | 5.399                    | 5.473                    | 01/23/04         | 387                 |
| 89982934                                     | Federal Farm Credit Bank                 | 11/09/01         | 31331RN35       | 5,277,675.68          | 5,025,000.00          | 103.344                     | 5,193,023.44          | (84,652.24)                        | 5.150          | 2.593                    | 2.630                    | 12/02/03         | 335                 |
| 89982874                                     | Federal Home Loan Bank                   | 09/29/00         | 3133MBY84       | 10,090,900.00         | 10,000,000.00         | 103.422                     | 10,342,187.50         | 251,287.50                         | 6.875          | 6.428                    | 6.517                    | 08/15/03         | 226                 |
| 89982942                                     | Federal Home Loan Bank                   | 03/14/02         | 3133MEHL8       | 10,214,000.00         | 10,000,000.00         | 104.344                     | 10,434,375.00         | 220,375.00                         | 4.875          | 3.745                    | 3.797                    | 04/16/04         | 471                 |
| 89982943                                     | Federal Home Loan Bank                   | 03/19/02         | 3133MEHL8       | 10,190,200.00         | 10,000,000.00         | 104.344                     | 10,434,375.00         | 244,175.00                         | 4.875          | 3.856                    | 3.910                    | 04/16/04         | 471                 |
| 89982959                                     | Federal Home Loan Bank                   | 10/23/02         | 3133MP4B9       | 10,163,281.25         | 10,000,000.00         | 102.672                     | 10,267,187.50         | 103,906.25                         | 3.375          | 2.318                    | 2.350                    | 06/15/04         | 531                 |
| 89982877                                     | Federal Nat'l Mtg Assoc.                 | 10/10/00         | 31359MDT7       | 9,822,500.00          | 10,000,000.00         | 101.266                     | 10,126,562.50         | 304,062.50                         | 5.750          | 6.437                    | 6.526                    | 04/15/03         | 104                 |
| 89982948                                     | Federal Nat'l Mtg Assoc.                 | 04/30/02         | 3136F1YV6       | 9,998,437.50          | 10,000,000.00         | 100.813                     | 10,081,250.00         | 82,812.50                          | 3.800          | 3.756                    | 3.809                    | 04/30/04         | 485                 |
| 89982956                                     | Federal Nat'l Mtg Assoc.                 | 06/19/02         | 3136F1T67       | 10,078,867.90         | 10,000,000.00         | 101.453                     | 10,145,270.00         | 66,402.10                          | 4.500          | 4.195                    | 4.253                    | 12/13/05         | 1077                |
| 89982960                                     | Federal Nat'l Mtg Assoc.                 | 10/25/02         | 31359MNG4       | 10,126,500.00         | 10,000,000.00         | 102.125                     | 10,212,500.00         | 86,000.00                          | 3.000          | 2.180                    | 2.211                    | 06/15/04         | 531                 |
| 89982931                                     | Federal Home Loan Mtg. Corp.             | 09/25/01         | 3134A4DJ0       | 10,235,500.00         | 10,000,000.00         | 100.703                     | 10,070,312.50         | (165,187.50)                       | 4.750          | 3.058                    | 3.100                    | 03/15/03         | 73                  |
| 89982947                                     | Federal Home Loan Mtg. Corp.             | 04/19/02         | 3134A4PH1       | 10,030,200.00         | 10,000,000.00         | 102.906                     | 10,290,625.00         | 260,425.00                         | 3.750          | 3.541                    | 3.591                    | 04/15/04         | 470                 |
| 89982954                                     | Federal Home Loan Mtg. Corp.             | 06/04/02         | 312925NU0       | 10,012,500.00         | 10,000,000.00         | 100.938                     | 10,093,750.00         | 81,250.00                          | 3.750          | 3.634                    | 3.684                    | 06/04/04         | 520                 |
| 89982957                                     | Federal Home Loan Mtg. Corp.             | 08/09/02         | 312925ZX1       | 5,032,812.50          | 5,000,000.00          | 101.303                     | 5,065,130.00          | 32,317.50                          | 3.500          | 3.221                    | 3.266                    | 07/29/05         | 940                 |
| 89982958                                     | Federal Home Loan Mtg. Corp.             | 08/12/02         | 312925ZX1       | 10,046,875.00         | 10,000,000.00         | 101.303                     | 10,130,260.00         | 83,385.00                          | 3.500          | 3.286                    | 3.332                    | 07/29/05         | 940                 |
| 89982961                                     | Federal Home Loan Mtg. Corp.             | 11/08/02         | 3134A4EX8       | 15,729,619.20         | 15,000,000.00         | 104.781                     | 15,717,187.50         | (12,431.70)                        | 5.000          | 1.718                    | 1.742                    | 05/15/04         | 500                 |
| 89982962                                     | Federal Home Loan Mtg. Corp.             | 11/08/02         | 3134A4LX0       | 15,367,800.00         | 15,000,000.00         | 102.813                     | 15,421,875.00         | 54,075.00                          | 3.250          | 1.977                    | 2.004                    | 11/15/04         | 684                 |
| 89982940                                     | Student Loan Market Assoc.               | 01/25/02         | 86387UAW5       | 10,254,958.90         | 10,000,000.00         | 104.188                     | 10,418,750.00         | 163,791.10                         | 4.750          | 3.506                    | 3.555                    | 04/23/04         | 478                 |
| 89982932                                     | Tennessee Valley Authority               | 10/30/01         | 880591DD1       | 10,425,770.50         | 10,000,000.00         | 103.359                     | 10,335,937.50         | (89,833.00)                        | 5.000          | 2.884                    | 2.925                    | 12/18/03         | 351                 |
| Subtotal & Averages                          |  |                  |                 | 188,088,298.43        | 185,025,000.00        |                             | 189,986,808.44        | 1,898,510.01                       |                | 3.443                    | 3.491                    |                  | 504                 |
| <b>Treasury Securities - Coupon</b>          |  |                  |                 |                       |                       |                             |                       |                                    |                |                          |                          |                  |                     |
| 89982866                                     | US Treasury Note                         | 08/16/00         | 9128274N9       | 4,867,968.75          | 5,000,000.00          | 102.469                     | 5,123,437.50          | 255,468.75                         | 5.250          | 6.144                    | 6.229                    | 08/15/03         | 226                 |
| 89982935                                     | US Treasury Note                         | 11/09/01         | 9128274U3       | 10,353,125.00         | 10,000,000.00         | 102.594                     | 10,259,375.00         | (93,750.00)                        | 4.250          | 2.410                    | 2.444                    | 11/15/03         | 318                 |
| 89982936                                     | US Treasury Note                         | 11/16/01         | 9128277E6       | 9,953,125.00          | 10,000,000.00         | 101.234                     | 10,123,437.50         | 170,312.50                         | 2.780          | 2.957                    | 2.998                    | 10/31/03         | 303                 |
| 89982944                                     | US Treasury Note                         | 03/28/02         | 9128277H9       | 9,956,250.00          | 10,000,000.00         | 102.000                     | 10,200,000.00         | 243,750.00                         | 3.250          | 3.458                    | 3.506                    | 12/31/03         | 364                 |
| 89982945                                     | US Treasury Note                         | 03/28/02         | 9128277H9       | 9,957,031.25          | 10,000,000.00         | 102.000                     | 10,200,000.00         | 242,968.75                         | 3.250          | 3.453                    | 3.501                    | 12/31/03         | 364                 |
| 89982946                                     | US Treasury Note                         | 03/28/02         | 9128277K2       | 9,904,687.50          | 10,000,000.00         | 101.844                     | 10,184,375.00         | 279,687.50                         | 3.000          | 3.488                    | 3.536                    | 01/31/04         | 395                 |
| 89982949                                     | US Treasury Note                         | 04/29/02         | 9128277C0       | 10,129,687.50         | 10,000,000.00         | 101.563                     | 10,156,250.00         | 26,562.50                          | 3.625          | 2.593                    | 2.629                    | 08/31/03         | 242                 |
| 89982950                                     | US Treasury Note                         | 04/29/02         | 9128277E6       | 9,994,921.88          | 10,000,000.00         | 101.234                     | 10,123,437.50         | 128,515.62                         | 2.750          | 2.746                    | 2.784                    | 10/31/03         | 303                 |
| 89982951                                     | US Treasury Note                         | 05/01/02         | 9128277A4       | 10,163,281.25         | 10,000,000.00         | 101.516                     | 10,151,562.50         | (11,718.75)                        | 3.875          | 2.503                    | 2.538                    | 07/31/03         | 211                 |
| 89982952                                     | US Treasury Note                         | 05/01/02         | 9128277K2       | 9,989,843.75          | 10,000,000.00         | 101.844                     | 10,184,375.00         | 194,531.25                         | 3.000          | 3.016                    | 3.058                    | 01/31/04         | 395                 |
| Subtotal & Averages                          |  |                  |                 | 95,269,921.88         | 95,000,000.00         |                             | 96,706,250.00         | 1,436,328.12                       |                | 3.117                    | 3.160                    |                  | 316                 |
| <b>Passbook/Money Market Accounts</b>        |  |                  |                 |                       |                       |                             |                       |                                    |                |                          |                          |                  |                     |
| 0001-2                                       | Registered Warrant Investments           |                  |                 | 1,393,170.18          | 1,393,170.18          |                             | 1,393,170.18          |                                    | 3.190          | 3.146                    | 3.190                    |                  | 1                   |
| 89980002                                     | U.S. Bank - Municipal Investment Account |                  |                 | 146,478,060.58        | 146,478,060.58        |                             | 146,478,060.58        |                                    | 1.610          | 1.587                    | 1.610                    |                  | 1                   |
| 89980001                                     | WA State Local Government Invest. Pool   |                  |                 | 47,449,876.53         | 47,449,876.53         |                             | 47,449,876.53         |                                    | 1.450          | 1.430                    | 1.450                    |                  | 1                   |
| Subtotal & Averages                          |  |                  |                 | 195,321,107.29        | 195,321,107.29        |                             | 195,321,107.29        |                                    |                | 2.054                    | 2.083                    |                  | 1                   |
| <b>Grand Total</b>                           |  |                  |                 | <b>478,679,327.60</b> | <b>475,346,107.29</b> |                             | <b>482,014,165.73</b> | <b>3,334,838.13</b>                |                | <b>2.610</b>             | <b>2.647</b>             |                  | <b>262</b>          |

### EXHIBIT 3

#### CLARK COUNTY TOTAL INVESTMENT PORTFOLIO AGING OF MATURING INVESTMENTS DECEMBER 31, 2002

| Days to Maturity | Book Value              | % Maturing     | Cumulative<br>% Maturing |
|------------------|-------------------------|----------------|--------------------------|
| 1                | \$195,321,107.30        | 40.80%         | 40.80%                   |
| 61 - 90          | 10,235,500.00           | 2.14%          | 42.94%                   |
| 91 - 120         | 9,822,500.00            | 2.05%          | 44.99%                   |
| 184 - 365        | 101,169,736.80          | 21.14%         | 66.13%                   |
| 366 - 730        | 136,971,928.10          | 28.61%         | 94.74%                   |
| 731 - 1095       | 25,158,555.40           | 5.26%          | 100.00%                  |
| <b>TOTALS</b>    | <b>\$478,679,327.60</b> | <b>100.00%</b> |                          |



**Exhibit 4**

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO  
SUMMARY OF INVESTMENTS BY ISSUER  
DECEMBER 31, 2002**

| Issuer                               | Number of<br>Investments | Book<br>Value           | % of<br>Portfolio | Avg<br>YTM (365) | Days<br>to Maturity |
|--------------------------------------|--------------------------|-------------------------|-------------------|------------------|---------------------|
| Registered Warrants @ 3.19%          | 1                        | 1,393,170.18            | 0.29%             | 3.190            | 1                   |
| Federal Farm Credit Bank             | 2                        | 10,267,575.68           | 2.15%             | 4.012            | 360                 |
| Federal Home Loan Bank               | 4                        | 40,658,381.25           | 8.49%             | 4.139            | 425                 |
| Federal National Mtg Association     | 4                        | 40,026,305.40           | 8.36%             | 4.184            | 552                 |
| Federal Home Loan Mtg Corp.          | 7                        | 76,455,306.70           | 15.97%            | 2.783            | 565                 |
| Student Loan Market Assoc.           | 1                        | 10,254,958.90           | 2.14%             | 3.556            | 478                 |
| Tennessee Valley Authority           | 1                        | 10,425,770.50           | 2.18%             | 2.925            | 351                 |
| US Bank - Municipal Investor Account | 1                        | 146,478,060.58          | 30.61%            | 1.611            | 1                   |
| US Treasury Note                     | 10                       | 95,269,921.88           | 19.90%            | 3.160            | 316                 |
| Washington State Pool                | 1                        | 47,449,876.53           | 9.91%             | 1.450            | 1                   |
| <b>TOTALS and AVERAGES</b>           | <b>32</b>                | <b>\$478,679,327.60</b> | <b>100.00%</b>    | <b>2.647</b>     | <b>262</b>          |

## EXHIBIT 5

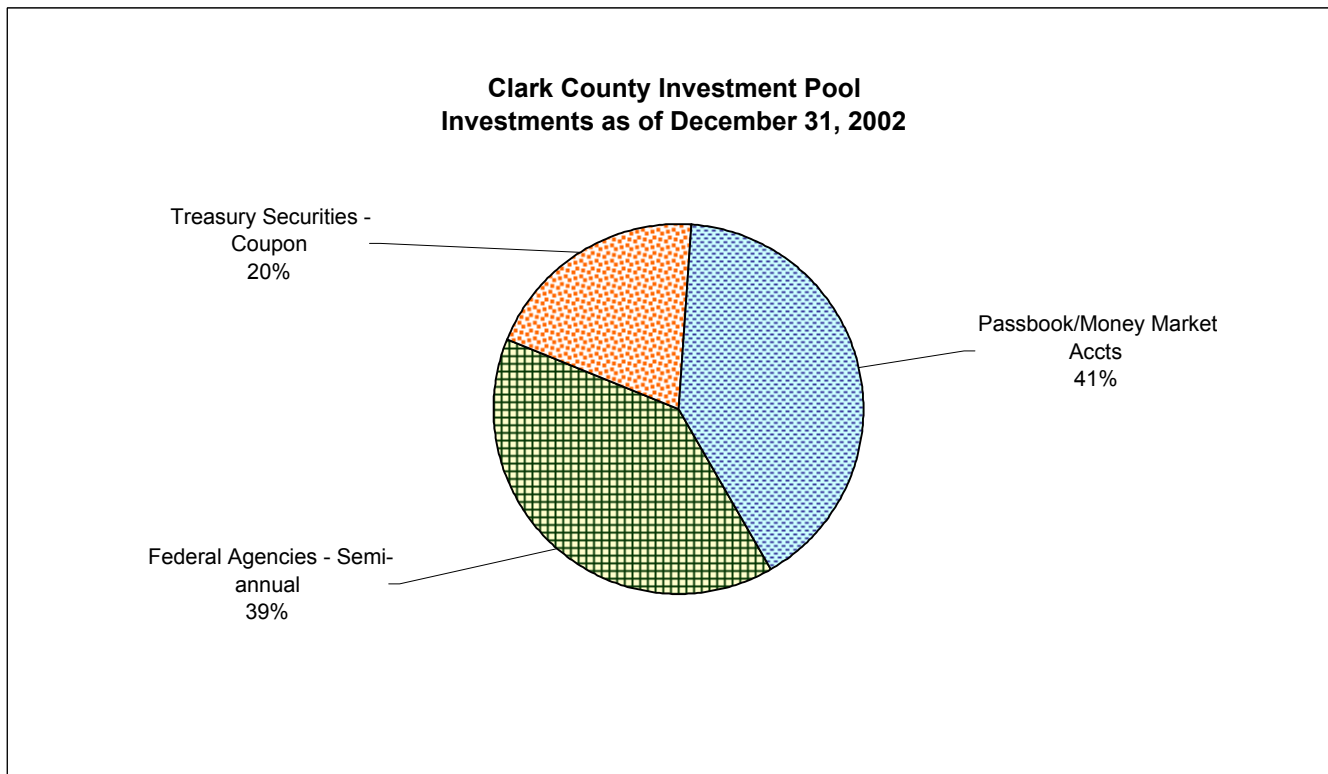
**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO**  
**INVESTMENT ACTIVITY BY TYPE**  
**OCTOBER 1, 2002 - DECEMBER 31, 2002**

| NUMBER                                       | ISSUER                           | STATED<br>RATE | DATE     | PURCHASES                 | MATURITIES            | BALANCE                |
|--|----------------------------------|----------------|----------|---------------------------|-----------------------|------------------------|
| <b>FEDERAL AGENCIES - SEMI ANNUAL COUPON</b> |                                  |                |          | <b>BEGINNING BALANCE:</b> |                       | <b>161,580,943.29</b>  |
| 89982959                                     | Federal Home Loan Bank           | 3.38           | 10/23/02 | 10,163,281.25             | 0.00                  | 0.00                   |
| 89982849                                     | Federal Home Loan Mtg Corp       | 6.25           | 10/15/02 | 0.00                      | 9,760,027.94          |                        |
| 89982961                                     | Federal Home Loan Mtg Corp       | 5.00           | 11/08/02 | 15,729,619.20             | 0.00                  |                        |
| 89982962                                     | Federal Home Loan Mtg Corp       | 3.25           | 11/08/02 | 15,367,800.00             | 0.00                  |                        |
| 89982960                                     | Federal National Mtg Association | 3.00           | 10/25/02 | 10,126,500.00             | 0.00                  |                        |
| 89982904                                     | Federal National Mtg Association | 6.21           | 10/28/02 | 0.00                      | 5,119,817.37          |                        |
| 89982933                                     | Federal National Mtg Association | 3.38           | 11/07/02 | 0.00                      | 10,000,000.00         |                        |
| SUBTOTALS and ENDING BALANCE - OCTOBER       |                                  |                |          | 20,289,781.25             | 14,879,845.31         | 166,990,879.23         |
| SUBTOTALS and ENDING BALANCE - NOVEMBER      |                                  |                |          | 31,097,419.20             | 10,000,000.00         | 188,088,298.43         |
| SUBTOTALS and ENDING BALANCE - DECEMBER      |                                  |                |          | 0.00                      | 0.00                  | 188,088,298.43         |
| <b>TREASURY SECURITIES - COUPON</b>          |                                  |                |          | <b>BEGINNING BALANCE:</b> |                       | <b>95,269,921.88</b>   |
| SUBTOTALS and ENDING BALANCE - OCTOBER       |                                  |                |          | 0.00                      | 0.00                  | 95,269,921.88          |
| SUBTOTALS and ENDING BALANCE - NOVEMBER      |                                  |                |          | 0.00                      | 0.00                  | 95,269,921.88          |
| SUBTOTALS and ENDING BALANCE - DECEMBER      |                                  |                |          | 0.00                      | 0.00                  | 95,269,921.88          |
| <b>TREASURY SECURITIES - SLGS</b>            |                                  |                |          | <b>BEGINNING BALANCE:</b> |                       | <b>528,000.00</b>      |
| 61182937                                     | State Local Govt. Series         | 1.21           | 12/02/02 | 0.00                      | 58,000.00             |                        |
| 61272938                                     | State Local Govt. Series         | 1.21           | 12/03/02 | 0.00                      | 177,000.00            |                        |
| 61332939                                     | State Local Govt. Series         | 1.21           | 12/04/02 | 0.00                      | 293,000.00            |                        |
| SUBTOTALS and ENDING BALANCE - OCTOBER       |                                  |                |          | 0.00                      | 0.00                  | 528,000.00             |
| SUBTOTALS and ENDING BALANCE - NOVEMBER      |                                  |                |          | 0.00                      | 0.00                  | 528,000.00             |
| SUBTOTALS and ENDING BALANCE - DECEMBER      |                                  |                |          | 0.00                      | 528,000.00            | 0.00                   |
| <b>CLARK COUNTY</b>                          |                                  |                |          | <b>BEGINNING BALANCE:</b> |                       | <b>473,972.87</b>      |
| OCTOBER                                      | Registered Warrant Invest Acct   | 3.56           |          | 2,550,937.95              | 1,686,889.13          | 1,338,021.69           |
| NOVEMBER                                     | Registered Warrant Invest Acct   | 3.56           |          | 0.00                      | 1,338,021.69          | 0.00                   |
| DECEMBER                                     | Registered Warrant Invest Acct   | 3.19           |          | 1,393,170.18              | 0.00                  | 1,393,170.18           |
| <b>US BANK</b>                               |                                  |                |          | <b>BEGINNING BALANCE:</b> |                       | <b>87,859,974.49</b>   |
| OCTOBER                                      | Municipal Investor Account       | 1.90           |          | 53,221,437.19             | 0.00                  | 141,081,411.68         |
| NOVEMBER                                     | Municipal Investor Account       | 1.60           |          | 5,197,738.83              | 0.00                  | 146,279,150.51         |
| DECEMBER                                     | Municipal Investor Account       | 1.61           |          | 198,910.07                | 0.00                  | 146,478,060.58         |
| <b>STATE POOL</b>                            |                                  |                |          | <b>BEGINNING BALANCE:</b> |                       | <b>155,144,472.27</b>  |
| OCTOBER                                      | Washington State Pool            | 1.73           |          | 39,746,499.64             | 80,400,000.00         | 114,490,971.91         |
| NOVEMBER                                     | Washington State Pool            | 1.55           |          | 71,983,995.69             | 65,300,078.22         | 121,174,889.38         |
| DECEMBER                                     | Washington State Pool            | 1.45           |          | 26,074,987.15             | 99,800,000.00         | 47,449,876.53          |
|  |                                  |                |          | <b>BEGINNING BALANCE:</b> | <b>PURCHASES</b>      | <b>MATURITIES</b>      |
| OCTOBER                                      | <b>TOTALS</b>                    |                |          | <b>500,857,284.80</b>     | <b>115,808,656.03</b> | <b>96,966,734.44</b>   |
| NOVEMBER                                     | <b>TOTALS</b>                    |                |          | <b>519,699,206.39</b>     | <b>108,279,153.72</b> | <b>76,638,099.91</b>   |
| DECEMBER                                     | <b>TOTALS</b>                    |                |          | <b>551,340,260.20</b>     | <b>27,667,067.40</b>  | <b>100,328,000.00</b>  |
|  |                                  |                |          |                           |                       | <b>ENDING BALANCE:</b> |
|  |                                  |                |          |                           |                       | <b>519,699,206.39</b>  |
|  |                                  |                |          |                           |                       | <b>551,340,260.20</b>  |
|  |                                  |                |          |                           |                       | <b>478,679,327.60</b>  |

**Exhibit 6**

**CLARK COUNTY INVESTMENT POOL  
DISTRIBUTION OF INVESTMENTS BY TYPE  
DECEMBER 31, 2002**

| Investments                    | Book Value            | Percent of<br>Portfolio | Average<br>Days to<br>Maturity | Yield to Maturity |                   |
|--------------------------------|-----------------------|-------------------------|--------------------------------|-------------------|-------------------|
|                                |                       |                         |                                | 360<br>Equivalent | 365<br>Equivalent |
| Federal Agencies - Semi-annual | 188,088,298.43        | 39.41%                  | 504                            | 3.443             | 3.491             |
| Treasury Securities - Coupon   | 95,269,921.88         | 19.96%                  | 316                            | 3.117             | 3.160             |
| Passbook/Money Market Accts    | 193,927,937.11        | 40.63%                  | 1                              | 1.549             | 1.571             |
| Total                          | <u>477,286,157.42</u> | <u>100.00%</u>          | <u>262</u>                     | <u>2.609%</u>     | <u>2.645%</u>     |



# Clark County Investment Pool

## Investment Portfolio

### December 31, 2002

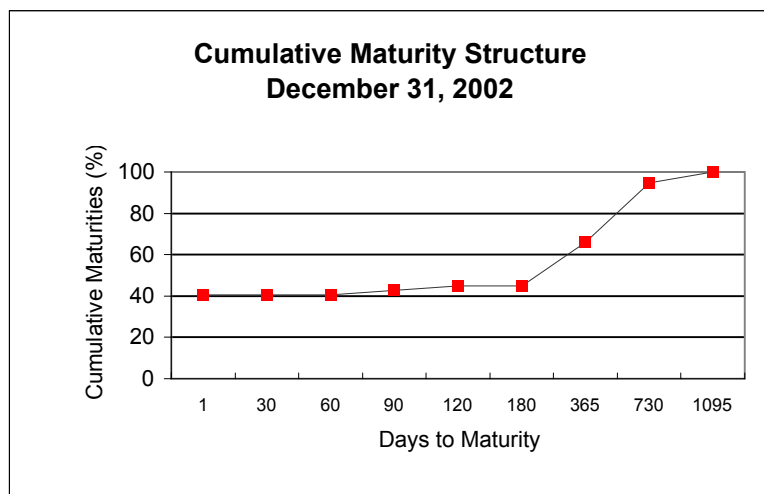
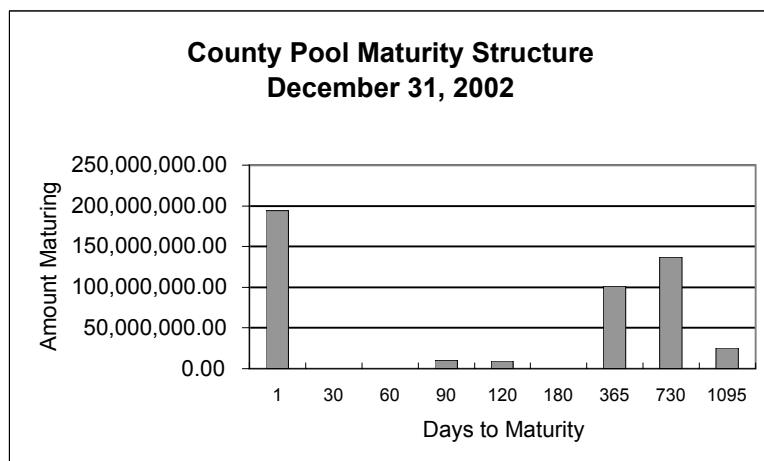
| Investment Number                              | Description                              | Purchase Date | Cusip Number | Cost at Purchase      | Book Value<br>12/31/02 | Par Value             | Market Price<br>12/31/02 | Market Value          | Cash Gain/(Loss)<br>on Security | Coupon Rate | Yield to Maturity<br>360 365 | Maturity Date | Days to Maturity |
|--|--|---------------|--------------|-----------------------|------------------------|-----------------------|--------------------------|-----------------------|---------------------------------|-------------|------------------------------|---------------|------------------|
| <b>Federal Agencies - Semi Annual Coupon</b>   |  |               |              |                       |                        |                       |                          |                       |                                 |             |                              |               |                  |
| 89982900                                       | Federal Farm Credit Bank                 | 01/25/01      | 31331H6G7    | 4,989,900.00          | 4,996,420.96           | 5,000,000.00          | 104.125                  | 5,206,250.00          | 216,350.00                      | 5.400       | 5.398 5.473                  | 01/23/04      | 387              |
| 89982934                                       | Federal Farm Credit Bank                 | 11/09/01      | 31331RN35    | 5,277,675.68          | 5,137,564.80           | 5,025,000.00          | 103.344                  | 5,193,023.44          | (84,652.24)                     | 5.150       | 2.594 2.630                  | 12/02/03      | 335              |
| 89982874                                       | Federal Home Loan Bank                   | 09/29/00      | 3133MBY84    | 10,090,900.00         | 10,019,654.05          | 10,000,000.00         | 103.422                  | 10,342,187.50         | 251,287.50                      | 6.875       | 6.428 6.517                  | 08/15/03      | 226              |
| 89982942                                       | Federal Home Loan Bank                   | 03/14/02      | 3133MEHL8    | 10,214,000.00         | 10,132,327.13          | 10,000,000.00         | 104.344                  | 10,434,375.00         | 220,375.00                      | 4.875       | 3.745 3.797                  | 04/16/04      | 471              |
| 89982943                                       | Federal Home Loan Bank                   | 03/19/02      | 3133MEHL8    | 10,190,200.00         | 10,118,397.59          | 10,000,000.00         | 104.344                  | 10,434,375.00         | 244,175.00                      | 4.875       | 3.856 3.910                  | 04/16/04      | 471              |
| 89982959                                       | Federal Home Loan Bank                   | 10/23/02      | 3133MP4B9    | 10,163,281.25         | 10,144,525.97          | 10,000,000.00         | 102.672                  | 10,267,187.50         | 103,906.25                      | 3.375       | 2.323 2.355                  | 06/15/04      | 531              |
| 89982877                                       | Federal Nat'l Mtg Assoc.                 | 10/10/00      | 31359MDT7    | 9,822,500.00          | 9,979,602.21           | 10,000,000.00         | 101.266                  | 10,126,562.50         | 304,062.50                      | 5.750       | 6.437 6.526                  | 04/15/03      | 104              |
| 89982948                                       | Federal Nat'l Mtg Assoc.                 | 04/30/02      | 3136F1YV6    | 9,998,437.50          | 9,998,960.50           | 10,000,000.00         | 100.813                  | 10,081,250.00         | 82,812.50                       | 3.800       | 3.756 3.808                  | 04/30/04      | 485              |
| 89982956                                       | Federal Nat'l Mtg Assoc.                 | 06/19/02      | 3136F1T67    | 10,078,867.90         | 10,066,792.43          | 10,000,000.00         | 101.453                  | 10,145,270.00         | 66,402.10                       | 4.500       | 4.195 4.253                  | 12/13/05      | 1,077            |
| 89982960                                       | Federal Nat'l Mtg Assoc.                 | 10/25/02      | 31359MNG4    | 10,126,500.00         | 10,112,349.15          | 10,000,000.00         | 102.125                  | 10,212,500.00         | 86,000.00                       | 3.000       | 2.209 2.224                  | 06/15/04      | 531              |
| 89982931                                       | Federal Home Loan Mtg. Corq              | 09/25/01      | 3134A4DJ0    | 10,235,500.00         | 10,032,881.13          | 10,000,000.00         | 100.703                  | 10,070,312.50         | 37,431.37                       | 4.750       | 3.058 3.100                  | 03/15/03      | 73               |
| 89982947                                       | Federal Home Loan Mtg. Corq              | 04/19/02      | 3134A4PH1    | 10,030,200.00         | 10,019,570.95          | 10,000,000.00         | 102.906                  | 10,290,625.00         | 271,054.05                      | 3.750       | 3.541 3.591                  | 04/15/04      | 470              |
| 89982954                                       | Federal Home Loan Mtg. Corq              | 06/04/02      | 312925NU0    | 10,012,500.00         | 10,005,494.77          | 10,000,000.00         | 100.938                  | 10,093,750.00         | 88,255.23                       | 3.750       | 3.634 3.684                  | 06/04/04      | 520              |
| 89982957                                       | Federal Home Loan Mtg. Corq              | 08/09/02      | 312925ZXI    | 5,032,812.50          | 5,019,282.70           | 5,000,000.00          | 101.303                  | 5,065,130.00          | 45,847.30                       | 3.500       | 3.452 3.549                  | 07/29/05      | 940              |
| 89982958                                       | Federal Home Loan Mtg. Corq              | 08/12/02      | 312925ZX1    | 10,046,875.00         | 10,027,624.18          | 10,000,000.00         | 101.303                  | 10,130,260.00         | 102,635.82                      | 3.500       | 3.452 3.549                  | 07/29/05      | 940              |
| 89982961                                       | Federal Home Loan Mtg. Corq              | 11/08/02      | 3134A4EX8    | 15,729,619.20         | 15,658,924.84          | 15,000,000.00         | 104.781                  | 15,717,187.50         | 58,262.66                       | 5.000       | 1.718 1.742                  | 05/15/04      | 500              |
| 89982962                                       | Federal Home Loan Mtg. Corq              | 11/08/02      | 3134A4LX0    | 15,367,800.00         | 15,340,986.52          | 15,000,000.00         | 102.813                  | 15,421,875.00         | 80,888.48                       | 3.250       | 1.977 2.004                  | 11/15/04      | 684              |
| 89982940                                       | Student Loan Market Assoc.               | 01/25/02      | 86387UAW5    | 10,254,958.90         | 10,148,936.39          | 10,000,000.00         | 104.188                  | 10,418,750.00         | 269,813.61                      | 4.750       | 3.507 3.556                  | 04/23/04      | 478              |
| 89982932                                       | Tennessee Valley Authority               | 10/31/01      | 880591DD1    | 10,425,770.50         | 10,192,372.87          | 10,000,000.00         | 103.359                  | 10,335,937.50         | 143,564.63                      | 5.000       | 2.884 2.925                  | 12/18/03      | 351              |
| Subtotal & Averages                            |  |               |              | 188,088,298.43        | 187,152,669.14         | 185,025,000.00        |                          | 189,986,808.44        | 2,588,471.76                    |             | 3.443 3.491                  |               | 504              |
| <b>Treasury Securities -Semi Annual Coupon</b> |  |               |              |                       |                        |                       |                          |                       |                                 |             |                              |               |                  |
| 89982866                                       | US Treasury Note                         | 08/16/00      | 9128274N9    | 4,867,968.75          | 4,972,724.81           | 5,000,000.00          | 102.469                  | 5,123,437.50          | 255,468.75                      | 5.250       | 6.144 6.229                  | 08/15/03      | 226              |
| 89982935                                       | US Treasury Note                         | 11/09/01      | 9128274U3    | 10,353,125.00         | 10,152,573.03          | 10,000,000.00         | 102.594                  | 10,259,375.00         | (93,750.00)                     | 4.250       | 2.411 2.444                  | 11/15/03      | 318              |
| 89982936                                       | US Treasury Note                         | 11/16/01      | 9128277E6    | 9,953,125.00          | 9,980,107.67           | 10,000,000.00         | 101.234                  | 10,123,437.50         | 170,312.50                      | 2.750       | 2.957 2.998                  | 10/31/03      | 303              |
| 89982944                                       | US Treasury Note                         | 03/28/02      | 9128277H9    | 9,956,250.00          | 9,975,233.28           | 10,000,000.00         | 102.000                  | 10,200,000.00         | 243,750.00                      | 3.250       | 3.458 3.506                  | 12/31/03      | 364              |
| 89982945                                       | US Treasury Note                         | 03/28/02      | 9128277H9    | 9,957,031.25          | 9,975,675.54           | 10,000,000.00         | 102.000                  | 10,200,000.00         | 242,968.75                      | 3.250       | 3.453 3.501                  | 12/31/03      | 364              |
| 89982946                                       | US Treasury Note                         | 03/28/02      | 3128277K2    | 9,904,687.50          | 9,944,141.78           | 10,000,000.00         | 101.844                  | 10,184,375.00         | 279,687.50                      | 3.000       | 3.488 3.536                  | 01/31/04      | 395              |
| 89982949                                       | US Treasury Note                         | 04/29/02      | 9128277C0    | 10,129,687.50         | 10,064,180.73          | 10,000,000.00         | 101.563                  | 10,156,250.00         | 26,562.50                       | 3.625       | 2.593 2.629                  | 08/31/03      | 242              |
| 89982950                                       | US Treasury Note                         | 04/29/02      | 9128277E6    | 9,994,921.88          | 9,997,202.42           | 10,000,000.00         | 101.234                  | 10,123,437.50         | 128,515.62                      | 2.750       | 2.746 2.784                  | 10/31/03      | 303              |
| 89982951                                       | US Treasury Note                         | 05/01/02      | 9128277A4    | 10,163,281.25         | 10,075,553.39          | 10,000,000.00         | 101.516                  | 10,151,562.50         | (11,718.75)                     | 3.875       | 2.503 2.538                  | 07/31/03      | 211              |
| 89982952                                       | US Treasury Note                         | 05/01/02      | 9128277K2    | 9,989,843.75          | 9,993,731.69           | 10,000,000.00         | 101.844                  | 10,184,375.00         | 194,531.25                      | 3.000       | 3.016 3.058                  | 01/31/04      | 395              |
| Subtotal & Averages                            |  |               |              | 95,269,921.88         | 95,131,124.34          | 95,000,000.00         |                          | 96,706,250.00         | 1,436,328.12                    |             | 3.117 3.160                  |               | 316              |
| <b>Passbook/Money Market Accounts</b>          |  |               |              |                       |                        |                       |                          |                       |                                 |             |                              |               |                  |
| 89980002                                       | U.S. Bank - Municipal Investment Account |               |              | 146,478,060.58        | 146,478,060.58         | 146,478,060.58        |                          | 146,478,060.58        |                                 | 1.610       | 1.587 1.610                  |               | 1                |
| 89980001                                       | WA State Local Government Invest. Pool   |               |              | 47,449,876.53         | 47,449,876.53          | 47,449,876.53         |                          | 47,449,876.53         |                                 | 1.450       | 1.430 1.450                  |               | 1                |
| Subtotal & Averages                            |  |               |              | 193,927,937.11        | 193,927,937.11         | 193,927,937.11        |                          | 193,927,937.11        |                                 |             | 1.509 1.530                  |               | 1                |
| <b>Grand Total</b>                             |  |               |              | <b>477,286,157.42</b> | <b>476,211,730.59</b>  | <b>473,952,937.11</b> |                          | <b>480,620,995.55</b> | <b>4,024,799.88</b>             |             | <b>2.609 2.645</b>           |               | <b>262</b>       |



## EXHIBIT 8

### CLARK COUNTY INVESTMENT POOL AGING OF MATURING INVESTMENTS DECEMBER 31, 2002

| Days to Maturity | Book Value              | % Maturing     | Cumulative<br>% Maturing |
|------------------|-------------------------|----------------|--------------------------|
| 1                | \$193,927,937.11        | 40.63%         | 40.63%                   |
| 61 - 90          | 10,235,500.00           | 2.14%          | 42.78%                   |
| 91 - 120         | 9,822,500.00            | 2.06%          | 44.83%                   |
| 184 - 365        | 101,169,736.81          | 21.20%         | 66.03%                   |
| 366 - 730        | 136,971,928.10          | 28.70%         | 94.73%                   |
| 731 - 1095       | 25,158,555.40           | 5.27%          | 100.00%                  |
| TOTALS           | <u>\$477,286,157.42</u> | <u>100.00%</u> |                          |



**Exhibit 9**

**CLARK COUNTY INVESTMENT POOL  
SUMMARY OF INVESTMENTS BY ISSUER  
DECEMBER 31, 2002**

| Issuer                               | Number of<br>Investments | Book<br>Value            | % of<br>Portfolio | Avg<br>YTM (365) | Days<br>to Maturity |
|--------------------------------------|--------------------------|--------------------------|-------------------|------------------|---------------------|
| Federal Farm Credit Bank             | 2                        | \$ 10,267,575.68         | 2.15%             | 4.012            | 360                 |
| Federal Home Loan Bank               | 4                        | 40,658,381.25            | 8.52%             | 4.139            | 425                 |
| Federal Home Loan Mtg Corp           | 7                        | 76,455,306.70            | 16.02%            | 2.783            | 565                 |
| Federal National Mtg Association     | 4                        | 40,026,305.40            | 8.39%             | 4.184            | 552                 |
| Student Loan Market Assoc.           | 1                        | 10,254,958.90            | 2.15%             | 3.556            | 478                 |
| Tennessee Valley Authority           | 1                        | 10,425,770.50            | 2.18%             | 2.925            | 351                 |
| US Bank - Municipal Investor Account | 1                        | 146,478,060.58           | 30.69%            | 1.610            | 1                   |
| US Treasury Note                     | 10                       | 95,269,921.88            | 19.96%            | 3.160            | 316                 |
| Washington State Pool                | 1                        | 47,449,876.53            | 9.94%             | 1.450            | 1                   |
| <b>TOTALS and AVERAGES</b>           | <b>31</b>                | <b>\$ 477,286,157.42</b> | <b>100.00%</b>    | <b>2.645</b>     | <b>262</b>          |

# **Exhibit 10** **County Pool vs. State Pool** **1/88 - 12/02**

Overall, \$16 million increased  
interest income realized from  
Pooling

